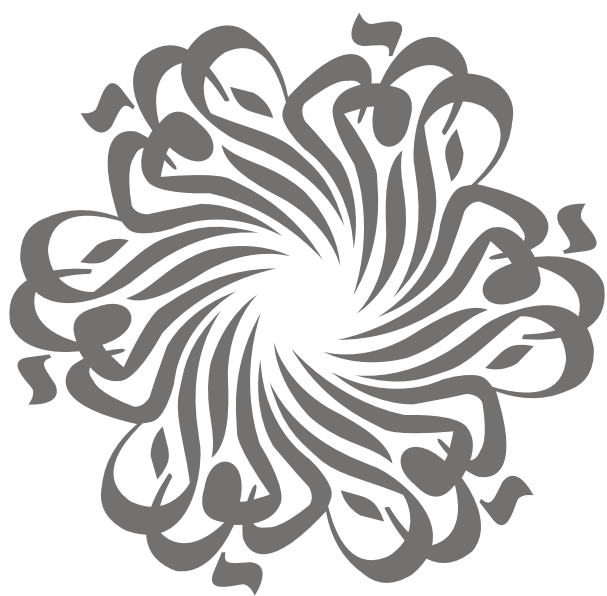


Half Yearly Report
2022



DEWAN SUGAR MILLS LIMITED





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YD | A YOUSUF DEWAN COMPANY

COMPANY INFORMATION

EXECUTIVE DIRECTORS

Zeeshan Ashraf - Chief Executive Officer
Ghazanfar Baber Siddiqui

NON-EXECUTIVE DIRECTORS

Haroon Iqbal - Chairman Board of Director
Syed Maqbool Ali
Nida Jamil
Muhammad Ashraf

INDEPENDENT DIRECTOR

Aziz-ul-Haque

COMPANY SECRETARY

Muhammad Hanif German

CHIEF FINANCIAL OFFICER

Muhammad Ilyas Abdul Sattar

AUDITORS

Feroze Sharif Tariq & Co. - Chartered Accountants

COST AUDITORS

UHY Hassan Naeem & Co.

TAX ADVISOR

Sharif & Company - Advocates

LEGAL ADVISOR

A.K. Brohi & Company Advocates

AUDIT COMMITTEE

Aziz-ul-Haque	Chairman
Haroon Iqbal	Member
Syed Maqbool Ali	Member

HUMAN RESOURCE & REMUNERATION COMMITTEE MEMBERS

Aziz-ul-Haque	Chairman
Haroon Iqbal	Member
Ghazanfar Baber Siddiqui	Member

BANKERS

National Bank of Pakistan	MCB Bank Limited
Summit Bank Limited	Meezan Bank Limited
Habib Bank Limited	Bank of Punjab Limited
Standard Chartered Bank Limited	Dubai Islamic Bank
Bank of Khyber Limited	Bank Islami Pakistan Limited

REGISTERED OFFICE:

Dewan Centre, 3-A Lalazar, Beach Hotel
Road, Karachi-74000, Pakistan.

CORPORATE OFFICE

Block-A, 2nd Floor
Finance & Trade Centre
Shahrah-e-Faisal, Karachi, Pakistan.

SHARE REGISTRAR / TRANSFER AGENT

BMF Consultants Pakistan (Pvt.) Limited
Annum Estate Building, Room No. 310 & 311,
3rd Floor, 49, Darul Aman Society.
Main Shahrah-e-Faisal, Adjacent Baloch Colony,
Karachi, Pakistan.

FACTORY

Jillaniabad, Budho Talpur,
Taluka: Mirpur Bathoro
District: Sujawal Sindh, Pakistan.

WEBSITE

www.yousufdewan.com

■ QUARTERLY REPORT

DIRECTORS' REPORT
IN THE NAME OF ALLAH; THE MOST GRACIOUS AND MERCIFUL.
IF YE ARE GRATEFUL, I WILL GIVE YOU MORE (HOLY QURAN)

Your Directors take pleasure in presenting you the unaudited condensed interim financial information of the Company for the period ended March 31, 2022.

Financial Results.

During the period under consideration, the financial results brief summary is as under: -

	March 31, 2022	March 31, 2021
Net Sales	5,676,628,336	3,987,353,260
Gross (Loss)	(295,210,004)	(394,532,234)
(Net Loss) after tax	(431,636,356)	(524,235,517)

Performance Review

Sugar Segment

The plant started its crushing on 22nd December, 2021 and operated (99 days) till 30th March 2022 as compared to last year plant operated for 84 days. During the current season plant crushed 489,240 Metric tons of sugar cane producing 50,789.6 Metric Tons White refined sugar with average sucrose recovery of 10.41% as compared to last period plant managed to crush 340,759 tons of sugar cane with average sucrose recovery of 9.97% and refined sugar production of 33,936 tons. This approximately 50% increase production from previous year apparently show improvement in crushing and increase in sucrose recovery but could not take benefit due to increase in price of sugarcane which should be linked with the prices of finished white sugar which is the long outstanding demand of the industry. Further better result could be achieved because we do not have the carrying of stocks due to non-availability of working capital facilities from the financial institution.

During the period sugar segment suffered operating loss of Rs.395.456 million as compared to Rs.444.042 million in the corresponding period. Reason of loss was due to higher raw material cost unavailability of financial limit and underutilization of crushing capacity.

Distillery Segment

Distillery unit produced 14,207 tons of Alcohol during the period under review as compared to 13,064 tons of Alcohol produced during the corresponding period. This period operating profit of distillery unit was Rs.0.065 million as against operating loss of Rs.33.785 million in previous period. This undesirable result was due to increase in raw

material prices and globally depressed demand of ethanol due to emergence of COVID-19 pandemic and international inflation. In order to curtail the expenses management is taking cost cutting measures, better marketing and trying to purchase raw material on lowest prices to operate the plant on optimistic level, we are hopeful we will succeed in and show better result in coming quarter.

Chip Board Polypropylene Segment

Chip Board plant has produced 64,150 sheets during the period under review as against last period 114,010 sheets produced. Management is focused on producing value added products and “A” quality sheets, which are well accepted in market. We are confident that from coming year we bring out this segment from losses to reasonable profit.

Polypropylene unit is already out of production because of working capital constraints.

In conclusion, we bow, beg and pray to **Almighty Allah**, Rahman-o-Ar-Rahim, in the name of our beloved Prophet Muhammad (peace be upon him) for the continued showering of his blessings, guidance, strength, health, and prosperity to us, our company, country and nation; and also pray to **Almighty Allah** to bestow peace, harmony, brotherhood, and unity in true Islamic spirit to whole of the Muslim Ummah; Ameen; Summa Ameen.

LO-MY LORD IS INDEED HEARER OF PRAYER (HOLY QURAN)

Under Authority of the Board of Directors


Zeeshan Ashraf
Chief Executive Officer


Haroon Iqbal
Chairman Board of Directors

Karachi.31 May, 2022.

Partners: **FEROZE QAISER F.C.A., I.C.A.E.W.**
ALI HUSAIN, F.C.A.
MOHAMMAD TARIQ, F.C.A., A.C.M.A.

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REVIEW REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REVIEW REPORT
TO THE MEMBERS OF DEWAN SUGAR MILLS LIMITED

Introduction

We have reviewed the accompanying Condensed interim Statement of financial Position of Dewan Sugar Mills Limited ("the company") as at March 31, 2022 and the related Condensed interim statement of profit or loss, Condensed interim statement comprehensive income, Condensed interim statement of changes in equity and Condensed interim statement of cash flow and the notes to the Condensed interim financial statement for the half year then ended (hereinafter referred to as the "interim financial statements"). Management is responsible for the preparation and Presentation of this Condensed interim financial statements in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial reporting. Our responsibility is to express a conclusion on these interim financial statements based on our review.

The figures of the condensed interim statement of profit or loss and Condensed interim statement comprehensive income for the quarters ended March 31, 2022 and March 31, 2021 have not been reviewed as we are required to review only the cumulative figures for the half year ended March 31, 2022.

Scope of Review

We conducted our review in accordance with the International Standard on review engagements 2410, "Review of interim financial Information performed by the independent Auditor of the Entity". A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis of Adverse Conclusion

- a) The Condensed interim financial Statements which indicate in note 1.1 to the interim financial statements that as of March 31, 2022 the company incurred a loss after taxation of Rs. 431.635 (March 31, 2021: Rs. 524.235) million and as of that date it has accumulated losses amounting to Rs. 4.434 (September 30, 2021: Rs. 4.162) billion which eroded Companies equity by Rs. 3.519 (September 30, 2021: Rs. 3.247) billion and its current liabilities exceeded its current assets by Rs. 4.932 (September 30, 2021: Rs. 4.736) billion without providing markups on Restructured and other liabilities as disclosed in below para (b) and (c). The Company has defaulted in repayments of installments of earlier restructured long-term liabilities as disclosed in para (b) below and short-term finance facilities had expired and not renewed by the banks amounting to Rs. 192.196 million, and therefore the company not utilizing its full capacity due to working capital constraints. Further, the financial institution filled suit for execution of decree this shows restructuring proposal of the company had not been accepted by the

Partners: **FEROZE QAISER F.C.A., I.C.A.E.W.**
ALI HUSAIN, F.C.A.
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lenders till the reporting date. These conditions lead us to believe that the going concern assumption used in preparation of these Condensed interim financial statements is inappropriate; consequently, the assets and liabilities should have been stated at their realizable and settlement amounts respectively.

- b) The company defaulted in repayment of instalments of restructured liabilities, hence as per clause 10.2 of the Compromise Agreement of the company, the entire outstanding restructured liabilities of Rs. 2.348 billion (note 9 to the Condensed interim financial Statements) along with markup of Rs. 896.875 million (Rs. 471.824 million eligible for waiver mark up and Rs. 425.051 million (excluding Rs. 284.801 million which has already booked in the Condensed interim financial statements till September 30, 2018) outstanding markup note 10 to the Condensed interim financial Statements) become immediately payable, therefore provision for markup should be made in these Condensed interim financial statements.
- c) In addition to above, since the proposal, has not been accepted so far and the lenders, instead of accepting the restructuring proposal, have preferred to filed suit against the company, therefore the company should made the provision of mark up in the Condensed interim financial statements. Further during the period, the company not provided the mark up on restructured long-term liabilities amounting to Rs. 177.188 million in the Condensed interim financial Statements as disclosed in note 14 to the Condensed interim financial Statements. Had the provisions for the mark up, as discussed in preceding paragraph (b), been made in these Condensed interim financial statements, the loss after taxation would have been higher by Rs. 993.313 million and markup payable would have been higher and shareholders' equity would have been lower by Rs. 993.313 million.

Adverse Conclusion

Our review indicates that, because of the significance of the matter discussed in paragraph (a) to (c) above, these accompanying interim financial Statements as of and for the half year ended March 31, 2022 is not prepared, in all material respects, in accordance with approved accounting and reporting standards as applicable in Pakistan for interim financial Reporting.

The engagement partner on the review resulting in this independent auditor's review report is Mohammad Ghalib.



CHARTERED ACCOUNTANTS

UDIN Number: AR20221016140NwqAu5P


Place: Karachi


Dated: May 31, 2022


DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION
FOR THE HALF YEAR ENDED MARCH 31, 2022

		(Un-Audited)	(Audited)
		Mar.31, 2022	Sep.30, 2021
	Notes	(Rupees in '000')	
ASSETS			
NON-CURRENT ASSETS			
Property, Plant and Equipment	6	6,586,778	6,866,133
CURRENT ASSETS			
Stores, Spares and Loose Tools		196,357	154,982
Stock-in-Trade		2,434,489	1,336,763
Trade Debts - Unsecured, Considered Good		278,557	14,219
Loans and Advances and Other Receivable - Unsecured, Considered Good		321,840	219,810
Trade Deposits, Short-Term Prepayments and Current Balances with Statutory Authorities		7,872	10,317
Income Tax Refunds and Advances		75,127	121,222
Short Term Investment - Related Party	7	-	-
Cash and Bank Balances		48,486	60,225
		3,362,728	1,917,538
		<u>9,949,506</u>	<u>8,783,671</u>
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Authorized Capital			
130,000,000 (Sept 2021:130,000,000) Ordinary Shares of Rs. 10/- each		1,300,000	1,300,000
Issued, Subscribed and Paid-up Capital		915,120	915,120
Reserves and Surplus		(4,434,238)	(4,161,662)
Revaluation Surplus on Property Plant and Equipment		3,673,772	3,832,831
		154,654	586,289
NON-CURRENT LIABILITIES			
Sponsors Loan - Unsecured	8	437,300	416,226
Long Term Finance (Secured)	9	-	-
Long Term Interest Payable	10	-	-
Deferred Liabilities	11	1,062,847	1,127,825
CURRENT LIABILITIES			
Trade and Other Payables - Unsecured		5,281,657	3,586,929
Interest, Profit, Mark-up Accrued on Loans and Other Payables		12,010	12,010
Short Term Finances - Secured	12	207,412	235,893
Unclaimed Dividends		770	770
Current Portion of Non-Current Liabilities	9 to 10	2,632,929	2,632,929
Provision for Taxation		159,927	184,800
		8,294,705	6,653,331
CONTINGENCIES & COMMITMENTS			
	13	-	-
		<u>9,949,506</u>	<u>8,783,671</u>

The annexed notes form an integral part of this condensed interim financial information


Zee Shan Ashraf
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Haroon Iqbal
Chairman, Board of Directors

DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Half Year Ended		Quarter Ended	
	Mar.31, 2022	Mar.31, 2021	Mar.31, 2022	Mar.31, 2021
	(Rupees in '000')			
Sales	5,676,628	3,987,353	4,502,158	2,812,986
Cost of Sales	(5,971,838)	(4,381,885)	(4,563,201)	(2,981,741)
Gross (Loss)	(295,210)	(394,532)	(61,043)	(168,755)
Administrative and General Expenses	(35,525)	(43,038)	(15,724)	(21,731)
Distribution and Selling Costs	(73,439)	(52,740)	(45,465)	(35,599)
Other Operating Income	296	453	165	182
(Loss) from Operations	(403,878)	(489,857)	(122,066)	(225,903)
Finance Cost	(21,372)	(19,407)	(10,790)	(9,743)
(Loss) before Income Tax	(425,250)	(509,264)	(132,856)	(235,646)
Taxation	(6,385)	(14,971)	(23,781)	(18,488)
(Loss) for the period (after Income Tax)	(431,635)	(524,235)	(156,637)	(254,135)
(Loss) per Share - Basic	(4.72)	(5.73)	(1.71)	(2.78)

he annexed notes form an integral part of this condensed interim financial information


Zeeshan Ashraf
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME - (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Half Year Ended		Quarter Ended	
	Mar.31, 2022	Mar.31, 2021	Mar.31, 2022	Mar.31, 2021
	(Rs. in '000')		(Rs. in '000')	
(Loss) for the Period	(431,635)	(524,235)	(156,637)	(254,135)
Other comprehensive income				
Items that will not reclassify to profit or loss				
Surplus on revaluation of property, plant & equipment	-	-	--	-
Related Deferred tax	-	-	--	-
	--	--	--	--
Total Comprehensive (Loss) for The Period	<u>(431,635)</u>	<u>(524,235)</u>	<u>(156,637)</u>	<u>(254,135)</u>

he annexed notes form an integral part of this condensed interim financial information


Zeeshan Ashraf
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Mar.31, 2022	Mar.31, 2021
	(Rupees in '000')	
Cash Flow from Operating Activities		
(Loss) Before Taxation	(425,250)	(509,264)
Adjustment for Non-Cash and Other Items:		
Depreciation	281,421	182,556
Financial Charges	21,372	19,407
	302,793	201,963
	(122,457)	(307,301)
Changes in Operating Assets and Liabilities		
(Increase) / Decrease in Current Assets		
Stores and Spares	(41,375)	(2,936)
Stock in Trade	(1,097,726)	(1,385,188)
Trade Debts	(264,338)	(23,116)
Loans and Advances	(102,030)	406,684
Trade Deposits, Prepayments & Other Balances	2,445	1,660
Increase / (Decrease) in Current Liabilities		
Trade and Other Payables	1,694,728	1,334,761
Short Term Finances	(28,482)	23,729
	163,222	355,594
Taxes Paid	(50,130)	(24,539)
Financial Charges Paid	(298)	(182)
Gratuity Paid	(10)	--
	(50,438)	(24,721)
Net Cash Flows from Operating Activities	(9,673)	23,572
Cash Flow from Investing Activities		
Fixed Capital Expenditure	(2,066)	--
Net Cash Out Flows from Investing Activities	(2,066)	--
Cash Flow from Financing Activities		
Morabaha Payment	-	(1,262)
Lease Finance	-	(885)
Net Cash Out Flows from Financing Activities	--	(2,147)
Net Increase (Decrease) in Cash and Bank Balances	(11,739)	21,425
Cash and Bank Balances at Beginning of the Period	60,225	33,329
Cash and Bank Balances at the End of the Period	48,486	54,754

The annexed notes form an integral part of this condensed interim financial information


Zeshan Ashraf
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer



Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Issued, Subscribed & Paid-up Capital	General Reserve	Accumulated Profit/(Loss)	Revaluation Surplus on Property Plant & Equipment	Total
(Rupees in '000')					
Balance as on October 01, 2020	915,120	190,000	(3,738,267)	2,281,085	(352,062)
Loss for the period	--	--	(524,235)	--	(524,235)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	--	--	93,105	(93,105)	--
	915,120	190,000	(4,169,398)	2,187,980	(876,297)
Balance as on October 01, 2021	915,120	190,000	(4,351,662)	3,832,831	586,289
Loss for the period	-	-	(431,635)	-	(431,635)
Incremental depreciation transferred from surplus on revaluation of property, plant and equipment - Net of tax	-	-	159,059	(159,059)	--
	915,120	190,000	(4,624,238)	3,673,772	154,654

The annexed notes form an integral part of this condensed interim financial information


Zeeshan Ashraf
Chief Executive Officer



Muhammad Ilyas Abdul Sattar
Chief Financial Officer


Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM SEGMENT WISE OPERATING RESULTS
FOR THE HALF YEAR ENDED MARCH 31, 2022

	Sugar Segment		Polypropylene Segment		Board and Panel Segment		Distillery Segment		Total	
	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21	Mar-22	Mar-21
<i>(Rupees in '000')</i>										
Gross Sales										
Local	3,984,087	2,749,807	-	-	66,089	121,204	130,022	94,143	4,180,198	2,965,154
Exports	-	-	-	-	-	-	2,148,369	1,407,110	2,148,369	1,407,110
	3,984,087	2,749,807	-	-	66,089	121,204	2,278,391	1,501,253	6,328,567	4,372,264
Sales Commission	-	-	-	-	-	-	11,264	7,244	11,264	7,244
Sales Tax	612,802	346,138	-	-	11,015	20,093	16,858	11,436	640,675	377,667
	612,802	346,138	-	-	11,015	20,093	28,122	18,680	651,939	384,911
Net Sales	3,371,285	2,403,669	-	-	55,074	101,111	2,250,269	1,482,573	5,676,628	3,987,353
COST OF SALES	3,744,975	2,816,610	3,402	2,260	60,349	110,816	2,163,112	1,452,199	5,971,838	4,381,885
Gross Profit / Loss	(373,690)	(412,941)	(3,402)	(2,260)	(5,275)	(9,705)	87,157	30,374	(295,210)	(394,532)
Administrative Expenses	19,502	29,673	44	49	62	468	15,917	12,848	35,525	43,038
Selling and Distribution Costs	2,264	1,428	-	-	-	-	71,175	51,312	73,439	52,740
	21,766	31,101	44	49	62	468	87,092	64,160	108,964	95,778
Segment Results	(395,456)	(444,042)	(3,446)	(2,309)	(5,337)	(10,172)	65	(33,786)	(404,174)	(490,310)


Zaeshan Ashraf
Chief Executive Officer


Muhammad Ilyas Abdul Sattar
Chief Financial Officer


Haroon Iqbal
Chairman Board of Directors

DEWAN SUGAR MILLS LIMITED
CONDENSED INTERIM NOTES TO THE FINANCIAL STATEMENTS (UN-AUDITED)
FOR THE HALF YEAR ENDED MARCH 31, 2022

1 CORPORATE INFORMATION

Dewan Sugar Mills Limited (the Company) was incorporated in Pakistan, as a public Limited company on June 27, 1982, under the Companies Act, 1913 (Now the Companies Act 2017 and its shares are listed in Pakistan Stock Exchange Guarantee Limited. The Principal activity of the Company is production and sale of white crystalline refined sugar, processing and trading of by-products, and other related activities and allied products. Further, The Company's Poly propylene unit is still non operative since 2016.

The geographical Location and address of the company's business units, including mill/plant are as under:

The Company consist of Four units namely

1. sugar Unit. 2. Distillery unit, 3. Board and Penal unit and 4. Poly propylene unit (operation closed since 2016)

The registered office of the company is situated at at Dewan Centre, 3-A, Lalazar, Beach Hotel Road, Karachi-74000, Pakistan; while its all four units manufacturing facilities are located at Jillaniabad, Budho Talpur, Taluka: Mirpur Bathoro, District: Thatta, Sindh, Pakistan.

1.1 GOING CONCERN ASSUMPTION

The condensed financial interim information of the company for the half year ended March 31,2022 incurred a net loss after taxation of Rs.431.635 million (March 31,2021 524.235 million) and as of that date company's negative reserves of Rs4,434 million (September 30, 2021 Rs. 4,162) million and its current liabilities exceeded its current assets by Rs. 4,932 million (September 30, 2021: Rs. 4,736)million. Further the company's short term borrowing facilities amounting Rs.192.196 million have been expired and not been renewed by the lenders. The company defaulted in repayment of its restructured long term loan due to liquidity crunch, hence as per clause 10.2 of the compromise agreement entire restructured liabilities along with markup eligible for waiver have become immediately repayable. These conditions along with other matters indicate the existence of material uncertainty which may cast significant doubt about company's ability to continue as going concern, therefore the company may be unable to realize its assets and discharge its liabilities in the normal course of business. The going concern assumption used in preparation of these financial statements is largely depended on the acceptance of restructuring proposal by the lenders which is hopefully on final stage as per company.

2 STATEMENT OF COMPLIANCE

This condensed interim financial information has been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and Provisions of and directives issued under the Companies Act, 2017

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed

3 BASIS OF PRESENTATION

3.1 These condensed interim financial statements are unaudited but subject to limited scope review by auditors and are being submitted to the shareholders as required by the listing regulation of Pakistan Stock Exchange Limited and Section 237 of the Companies Act, 2017. These condensed interim financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual financial statements for the year ended September 30, 2021.

3.2 The figures of the condensed interim profit or loss account and condensed interim statement of comprehensive income for the quarters ended March 31, 2022 and March 31, 2021 and notes forming part thereof have not been reviewed by the auditors of the Company, as they have reviewed the cumulative figures for the half years ended March 31, 2022 & March 31, 2021.

3.3 Basis of Measurement

The financial statements have primarily been prepared under the historical cost convention without any adjustments for the effect of inflation or current values, except for the fixed assets which are on revalued amount in note 6 to the financial statements, financial assets and liabilities which are carried at their fair values. Further, accrual basis of accounting is followed except for cash flow information.

4 ACCOUNTING POLICIES

These condensed interim financial statements have been prepared using the same accounting policies which were applied in the preparation of the annual financial statements of the Company for the year ended September 30, 2021.

4.1 Change in accounting standards, interpretations and amendments to published approved accounting standards

(a) Standards and amendments to published approved accounting standards which are effective during the period ended March 31, 2022.

(b) Standards and amendments to published approved accounting standards that are not yet effective

There are certain new standards and amendments to the approved accounting standards that will be mandatory for the Company's annual accounting periods beginning on or after October 1, 2021. However, these amendments will not have any significant impact on the financial reporting of the Company and, therefore, have not been disclosed in these condensed interim financial information.

5 ACCOUNTING ESTIMATES AND JUDGMENTS

- 5.1 The preparation of this condensed interim financial information in conformity with approved accounting standards as applicable in Pakistan requires management to make estimates, assumptions and use judgments that affect the application of policies and reported amounts of assets and liabilities and income and expenses. Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including reasonable expectations of future events. Revision to accounting estimates are recognized prospectively commencing from the period of revision.
- 5.2 In preparing this condensed interim financial information, the significant judgments made by the management in applying the Company's accounting policies and the key source of estimation and uncertainty were the same as those that applied to the financial statements as at and for the year ended September 30, 2021.
- 5.3 The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended September 31, 2021.

	Note	March 31, 2022	September 30, 2021
(Rupees in '000')			
6 PROPERTY, PLANT AND EQUIPMENTS			
Operating Property , Plant & Equipment	6.1	6,586,778	6,866,133
Capital work-in-progress	6.2	-	-
		6,586,778	6,866,133
6.1 Written Down Value Opening		6,866,133	4,612,687
Addition during the period		2,066	191,209
Surplus on revaluation		-	2,421,244
		6,868,199	7,225,140
Depreciation for the period		(281,421)	(359,007)
		6,586,778	6,866,133
6.2 Capital work-in-progress		-	172,715
Addition during the period		-	16,764
			189,479
Transfer to Fixed assets		-	189,479
		-	-

Fixed capital expenditure during the period amounted to Rs.2,066Million (September 30, 2021:Rs.18,493million).

7 SHORT TERM INVESTMENT - Related Party

The Company held 13,650,000 including 650,000 bonus shares of Dewan Farooque Motors Ltd., Associate is an entity over which the Company has significant influence but no control. Company's investee company is considered to be its associate by virtue of common directorship and its ownership interest of 9.84% in investee company

	Un-Audited March 31, 2022	Un-Audited September 30, 2021
7.1 Investment in Dewan Farooque Motors Limited		
Number shares held	13,650,000	13,650,000
Cost of investment (Rupees'000')	130,000	130,000
Fair value of investment (Rupees'000')	75,894	102,511
Ownership interest	9.84%	9.84%
7.2 Summarized Financial Information of Associated Company		
Total assets (Rupees'000')	2,991,532	2,978,100
Total Liabilities(Rupees'000')	5,888,027	5,876,319
Net assets (Rupees'000')	(2,896,495)	(2,898,219)
Company's share of net assets(Rupees'000')	(285,015)	(285,185)
Revenue(Rupees'000')	132	76
Loss for the period(Rupees'000')	62,092	(63,812)

	March 31, 2022	September 30, 2021
(Rupees in '000')		
Note		

8 SPONSORS LOAN - UNSECURED

Sponsors Loan	8.1	286,930	271,740
Sponsors Loan obtained for payment of Term Loan	8.2	150,370	144,486
		437,300	416,226
8.1 Sponsors Loan			
Opening Balance Original Loan amount		513,232	513,232
Less Present value adjustment		(241,492)	(268,818)
Add Amortization Discount Charged to P & L		15,190	27,326
		(226,302)	(241,492)
Closing Balance		286,930	271,740

The Sponsors loan had been measured at amortized cost in accordance with International Accounting standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of ranging 11.18% per annum. These interest free loans are payable in lump sum on September 30, 2027.

(Rupees in '000')

8.2 Sponsors Loan**Sponsors Loan obtained for payment of Term Loan**

	159,648	159,648
Less Present value adjustment	(15,162)	(26,249)
Add Amortization Discount Charged to P & L	5,884	11,087
	(9,278)	(15,162)

Closing Balance

150,370 144,486

This represents unsecured interest free loan payable to sponsor director. This liability has arisen on account of settlement of liabilities of the bank, which were settled by sponsor director. The terms of repayment of loan finalized after restructuring settlement made with the steering committee and as of that date payable in lumpsum on December 31, 2022. The amount of loan has been measured at amortized cost in accordance with International Accounting Standard 39, Financial Instruments: Recognition and Measurement, and have been discounted using the weighted average interest rate of ranging 8.1% per annum.

9 LONG TERM FINANCE - SECURED**Syndicate Term Finance****9.1** - --**First National Bank Modaraba****9.2** - -

--

9.1 Syndicate Term Finance: Principal opening**2,348,128** 2,348,128**Current Maturity**

Less Overdue installments

2,348,128 2,348,128

-

--

9.1 This amount represent outstanding balance of rescheduled settled amount as per compromising decree dated February 18, 2011 granted by Honourable High Court of Sindh at Karachi. As per terms 32 quarterly instalments of principal loan ranging from Rs.57.09 million to Rs. 143.858 million will be payable in ten years with one year grace period with no mark-up throughout the repayment period. The repayments of loan had been started from March 30, 2012 and last payment will be made on December 30, 2020

10 LONG TERM MARK UP PAYABLE

Mark-up payable on Reschedule Term Finance

10.1 -- --

Mark-up payable (First National Bank Modaraba)

10.2 -- -

-- --

10.1 Mark-up payable on Reschedule Term Finance : Opening**284,801** 284,801

Add Provision during the year

-- --

284,801 284,801

Less Overdue installments

284,801 284,801

-- --

This amount represents token mark up of Rs. 425.051 payable to Syndicated (Summit Bank & Other) in 4 equal quarterly installments (33 to 36) million. Company had provided Rs.284.80 million till September, 2018 and stopped providing further markup and approaching to lender for waiver due to current worst situation of industries of the Country specially Sind province. We are hopeful our this request will be oblige.

10.2 Mark-up payable (First National Bank Modaraba): Opening

-- 1,133

Less :Payment during the year


-- 1,133

-- -

This amount represents token mark up of Rs. 2.525 million payable to First National Bank Moradabad in 4 equal quarterly installments (33 to 36) of Rs.0.631 million. Alhamdulillah total settled mark up have been paid till to date.

		(Rupees in '000')	
11	DEFERRED LIABILITIES		
	Deferred Tax Liability for Staff Gratuity (Provision)	11.1	5,549
	Deferred Income Tax Liability		5,559
			<u>1,057,298</u>
			<u>1,122,266</u>
			<u>1,062,847</u>
			<u>1,127,825</u>
11.1	The Company discontinued its policy for staff retirement benefits plan for gratuity on March 31, 2007 and provision for all its outstanding liabilities had been made until March 31, 2007. This payable amount was to transfer to provident fund scheme, however the Board of Trustee has amended the said clause and now the Company opted to pay this liability to each employees at the time of their separation from the Company.		
12	SHORT TERM RUNNING FINANCES - SECURED		
	Short term running finances - Secured	12.1	192,196
	Book over draft		192,196
			<u>15,216</u>
			<u>43,697</u>
			<u>207,412</u>
			<u>235,893</u>
12.1	This amount represent RF facility of Rs.192.196 million sanctioned by the lenders as per Court order/compromising decree. The facility is secured by the way of first charge over current assets of the Company with 20% margin. The mark-up of this facility is 3 month KIBOR plus 0.75% per annum payable quarterly basis. The facility had expired and not renewed by the banks. During the period Company has not provided mark the mark up on the same.		
13	CONTINGENCIES & COMMITMENTS		
	There is no significant changes in the status of contingencies and commitments during the period as those reported in last published financial statements.		
14	Finance COST		
	The company has not provided the markup on long term and short term borrowings from Banks for the period amounting to Rs.177.188 million on the contention of the Company as disclosed in note 9,10 and 12 to the Financial Statements. However had the provision been made in the financial statements markup for the year would have been higher by Rs.993.313 million and accrued markup and accumulated loss would have been increased by Rs. 993.313 million.		
15	SEASONAL PRODUCTION		
	Due to the seasonal availability of sugarcane, the manufacturing of sugar is carried out during the period of availability of sugarcane and cost incurred / accrued up to the reporting date have been accounted for. Accordingly, the cost incurred / accrued after the reporting date will be reported in the subsequent interim and annual financial statements.		
16	FINANCIAL RISK MANAGEMENT AND FAIR VALUE DISCLOSURES		
	These condensed interim financial statements do not include all financial risk management information and disclosures which are required in the annual financial statements and should be read in conjunction with the Company's annual financial statements for the year ended September 30, 2021. There have been no changes in any risk management policies since the year end. The carrying values of all financial and non-financial assets and liabilities measured at other than amortized cost in these condensed interim financial statements approximate their fair values.		
		March 31, 2022	September 30, 2021
17	TRANSACTION WITH RELATED PARTIES		
	Sale Commission	11,264	16,980
	Purchases	11,693	19,931
	Sales	3,729	3,869
	Provident fund contribution	2,314	4,233
	Dewan Mushtaq Trade Limited Relationship by Common Director Ship		
18	DATE OF AUTHORIZATION FOR ISSUE		
	These Financial Statements were authorized for issue on May 31, 2022 by the board of directors of the Company.		
19	GENERAL		
	Figures have been rounded off to the nearest thousand rupees. Comparative rearranged, reclassified and restated wherever necessary as per requirement.		


Zeeshan Ashraf
 Chief Executive Officer


Muhammad Ilyas Abdul Sattar
 Chief Financial Officer


Haroon Iqbal
 Chairman Board of Directors

ڈائریکٹرز رپورٹ

شروع کرتا ہوں اللہ تعالیٰ کے نام سے جو بڑا مہربان اور نہایت رحم کرنے والا ہے
اگر تم شکر ادا کرو گے تو میں تم پر (نعمتوں میں) ضرور اضافہ کروں گا (القرآن)

محترم حصص یافتگان،

السلام علیکم،

دیوان شوگر ملز لمیٹڈ کے بورڈ آف ڈائریکٹرز 31 مارچ 2022ء کو ختم ہونے والی مدت کے غیر محاسبی مالیاتی گوشوارے پیش کرتے ہوئے نہایت مسرت محسوس کر رہے ہیں۔

مالیاتی نتائج:

زیر جائزہ مدت کے دوران مالیاتی نتائج کا مختصر خلاصہ درج ذیل ہے:

31 مارچ 2021ء	31 مارچ 2022ء	
3,987,353,260	5,676,628,336	خالص فروخت
(394,532,234)	(295,210,004)	مجموعی (خسارہ)
(524,235,517)	(431,636,356)	بعد از ٹیکس (خالص خسارہ)

کارکردگی کا جائزہ:

شکر کا شعبہ:

پلانٹ نے اپنی کرشنگ کا آغاز مورخہ 22 دسمبر 2021 کو کیا اور (99 دن) یعنی 30 مارچ 2022ء تک چلتا رہا جو کہ گذشتہ سال کی اسی مدت کے دوران 84 دن تک چلتا رہا تھا۔ حالیہ مدت کے دوران پلانٹ نے 489,240 میٹرک ٹن گنے کی کرشنگ کی جس سے 50,789.6 میٹرک ٹن سفید ریفائنڈ شکر حاصل ہوئی جس میں سکروز کی اوسط ریکوری 10.41 فیصد ہے جبکہ گذشتہ مدت میں پلانٹ نے 340,759 ٹن گنے کی کرشنگ کی جس میں سکروز کی اوسط ریکوری 9.97 فیصد تھی اور ریفائنڈ شکر کی پیداوار 33,936 ٹن تھی۔ گذشتہ سال کے مقابلے میں تقریباً 50 فیصد کا یہ اضافہ بظاہر کرشنگ میں بہتری اور سکروز ریکوری میں اضافہ کو ظاہر کرتا ہے۔ اسکے باوجود گنے کی قیمت میں اضافہ کے سبب خاطر خواہ فائدہ نہیں اٹھایا جاسکا۔ گنے کی قیمت کا تعین تیار شدہ سفید شکر کی قیمتوں سے جوڑا جانا چاہئے۔ جو کہ صنعت کی دیرینہ مطالبہ ہے۔ اگر سرمایہ کی مزید فراہمی میسر ہوتی تو بہتر نتائج حاصل کیئے جاسکتے۔

دوران مدت شکر کے شعبہ کو مبلغ 395.456 ملین روپے کا آپریٹنگ خسارہ ہوا جو کہ گذشتہ سال کی اسی مدت میں مبلغ 444.042 ملین روپے تھے۔ خسارہ کی وجہ خام مال کی زیادہ لاگت اور سرمایہ کی کمی جس کی وجہ سے کرشنگ کی صلاحیت کا کم استعمال ہوا۔

ڈٹلری کا شعبہ:

زیر جائزہ مدت کے دوران ڈٹلری کے شعبے نے 14,207 ٹن الکل تیار کیا جس کا موازنہ گزشتہ مدت کے دوران تیار کئے گئے 13,064 ٹن الکل سے کیا جاسکتا ہے۔ زیر جائزہ مدت میں ڈٹلری یونٹ کا آپریٹنگ منافع 0.065 ملین روپے رہا جس کا موازنہ گزشتہ مدت کے آپریٹنگ خسارہ 33.785 ملین روپے سے کیا جاسکتا ہے۔ یہ غیر متوقع نتائج خام مال کی قیمتوں میں اضافے، کورونا وباء اور عالمی طور پر مہنگائی کے سبب عالمی سطح پر ہتھانول کی طلب میں کمی کے باعث حاصل ہوئے۔ انتظامیہ اخراجات میں کمی کیلئے ممکنہ اقدامات بروئے کار لا رہی ہے، بہتر مارکیٹنگ کر رہی ہے اور پلانٹ کو بہتر طور پر آپریٹ کرنے کیلئے کم قیمتوں پر خام مال خریدنے کی کوشش کر رہی ہے، ہمیں امید ہے کہ ہم اس میں کامیاب ہوں گے اور آنے والے سہ ماہی میں بہتر نتائج دکھائیں گے۔

چپ بورڈ پولی پروپیلین کا شعبہ:

دوران جائزہ مدت چپ بورڈ پلانٹ نے 64,150 ٹینس تیار کیں جس کا موازنہ گزشتہ مدت کی 114,010 ٹینس سے کیا جاسکتا ہے۔ انتظامیہ نے اپنی توجہ ویلیو ایڈڈ مصنوعات کی تیاری پر مرکوز کر رکھی ہے اور درجہ A کی ٹینس تیار کر کے مسابقت میں سبقت لی جانے کے لئے کوشاں ہے۔ ہم پر امید ہیں کہ کمپنی کے اس آپریشن میں مثبت نتائج سامنے آئیں گے۔

پولی پروپیلین یونٹ ورکنگ کیپچل کی رکاوٹوں کے سبب پہلے پروڈکشن سے باہر ہے۔

اختتام پر اللہ پاک رحمن و رحیم کے حضور سجدہ ریز ہو کر دعا مانگتے ہیں ہمارے نبی سرکارِ دو عالم ﷺ کے وسیلے سے کہ اے اللہ ہماری رہنمائی کرے اور کمپنی قوم اور وطن عزیز کو اپنے حفظ و امان میں رکھے اور بھرپور ترقی کرنے کی توفیق عطا کرے۔ ساتھ ہی اللہ پاک سے دعا مانگتا ہوں کہ امت مسلمہ میں امن، چین اور بھائی چارہ پیدا کرے آمین۔

بے شک میرا رب دعا سننے والا ہے (القرآن)

بورڈ کے ڈائریکٹران کی جانب سے

ذیشان اسرف

چیف ایگزیکٹو آفیسر

ہارون اقبال

چیئر مین بورڈ آف ڈائریکٹر

کراچی مورخہ 31 مئی 2022

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